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MEMO



TIME : 1100 hours, 18 April 1958

PLACE: Office of the Acting Deputy Director (Support)
124 East Building

1. Early Retirement

- a. Proposal Made by the Special Assistant to the President for Personnel Management, Mr. Harris Ellsworth (Tab A)
- b. Proposal Based on the Civil Service Retirement System (Tab B)
- c. Proposed Legislation Which Would Provide to the Agency Benefits Similar to Those Enjoyed by the Foreign Service (Tab C)
- d. 1957 Proposed Legislation (Tab D)

2. Uniform Overtime Pay Regulation (Tab E)



GORDON M. STEWART
Director of Personnel

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TAB A

EXCERPT from letter to Roger W. Jones, Assistant Director for Legislative Reference, Executive Office of the President, signed by Harris Ellsworth, dated May 13, 1957:

"As you know, this office has long felt that special consideration should be given to civilian employees of the Government who have served for long periods in foreign countries and who in effect have made a career of service overseas. It has been our thought that certain provisions now available to Foreign Service Officers should be extended to such individuals. For example, for employees who have completed ten or more years of civilian service in foreign countries, it would seem reasonable to apply the two per cent rate in computing their annuities, and further, to permit them to retire on full annuities in the event of involuntary separation, not for cause, at age 50 with 20 or more years of creditable service including 10 years of civilian service in foreign countries.

"If Central Intelligence Agency were to submit a proposal along these lines, including a provision covering voluntary retirement at age 50 with 20 years total service, of which not less than 10 years covers civilian service in foreign areas, including 5 years overseas service for CIA, and authorizing retirement at full annuity computed at the 2% rate, subject to approval of such retirement by the CIA Director, this office would not object thereto. Such a proposal would be more nearly in line with the provisions of the Foreign Service Retirement System, and would lend itself to possible extension at some future date to employees of other agencies who have served long periods in foreign areas."

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EARLY RETIREMENT

TAB B

1. This proposal is based on the Civil Service retirement system and calls for the retirement of certain staff employees at age 52 after 20 years of Government service on a voluntary basis or on the basis of nonprejudicial selection-out.
2. At the time of retirement, the retiree will defer his Civil Service retirement annuity*, thus putting himself in a position to collect this at age 62. Between the ages 52 and 62, he will be paid an annuity equal to his earned Civil Service annuity out of a fund established and administered by the Agency.
3. Only those employees who have been selected into and have retained their status in the overseas activities group will qualify for early retirement.
 - a. Personnel who have completed at least five years in a staff status as members of CIA at the time the program is initiated, who have completed one full tour of duty overseas and who are members of the Clandestine Services Career Service or of other services in support of the clandestine services overseas program or of any other established and continuing program involving repetitive tours overseas will be automatically selected into the overseas activities group.
 - b. Persons with less than five years of service who are assigned to the Clandestine Services Career Service, to the services in direct support of the clandestine services overseas activities or to any other

* It will be necessary to arrange with the Civil Service Commission that in so doing they do not forgo any of the rights of regular pensioners.

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program involving repetitive tours overseas would be designated as candidates for selection into the overseas activities group.

c. Beyond these minimum requirements, membership in the overseas activities group will impose on the individual the obligation to serve overseas at any post and in any capacity at the direction of the Agency.

d. At no time will more than 60 percent of the overseas activities group be permitted to serve within the continental limits of the United States. In order to hold to this figure, persons may be removed from the group because their overseas service falls below the average or because the likelihood of their serving usefully overseas in the future has diminished.

e. All candidates and members of the overseas activities group will be assessed x percent per annum of their gross salary to support the retirement fund, in addition to their Civil Service retirement contributions.

f. All persons withdrawing from or excluded from the overseas activities group will be reimbursed the full amount of their assessed contributions to the fund.

4. An individual who has contributed to the Agency fund and who retires at any time past age 52 will be repaid in lump sum that percentage of his total contribution to the fund which is equal to the percentage of time he is employed between ages 52 and 62.

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5. The Agency will include in budgeted OI funds amounts sufficient to sustain the retirement fund and will administer the salaries of the overseas activities group in such a way as to compensate persons in this service on an equitable basis as compared with other foreign service elements of the Government.

6. This plan would provide a basis for the establishment overseas of an additional reporting and operational support facility. Experienced operational personnel retiring at age 52 can be assisted by the Agency in obtaining cover employment, and they can be paid for their work in support of operations.

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To create a category of career professional foreign intelligence officers effectively to serve the interests of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

1(a) In accordance with regulations prescribed by him and after suitable examination, the Director of Central Intelligence (hereinafter referred to as the Director) may appoint persons to be known as Foreign Intelligence Officers. Such officers shall be appointed, promoted, and retained on the basis of merit and fitness and may be separated only in accordance with law. To the extent deemed appropriate by the Director, all provisions of law not inconsistent herewith which are applicable to Foreign Service Reserve Officers shall be applicable to Foreign Intelligence Officers. The Director shall establish such examining and selection boards or panels as may be necessary for use in the appointment, promotion, and separation of Foreign Intelligence Officers.

(b) Any Foreign Intelligence Officer may be separated by the Director for unsatisfactory performance of duties, but only after a review of his case by, and opportunity for a hearing before, an impartial advisory board appointed by the Director, except that nothing herein shall be construed as affecting section 102(c) of the National Security Act of 1947, as amended. The Director shall also provide for the periodic appraisal of such officers and, in accordance with regulations

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prescribed by him, may separate those who are consistently ranked below a minimum level prescribed for their class.

(c) The Director may establish an independent retirement and disability system for the benefit of Foreign Intelligence Officers based on the provisions of the Foreign Service Act of 1946, as heretofore or hereafter amended. Any officer separated pursuant to subsection (b) hereof shall be entitled to the payments or retirement benefits prescribed in section 634 or 637 of that Act, as appropriate.

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TAB D

28 February 1957

PROPOSED RETIREMENT LEGISLATION

of

The Central Intelligence Agency

1. The basic objective in proposing legislation concerning retirement for CIA personnel is to improve the Service by providing retirement at an age earlier than that provided by the Civil Service system together with an "augmented" annuity to those persons who have served extensively overseas with CIA.

2. The proposed plan for personnel with extensive overseas service with CIA is as follows:

a. Upon reaching the age of 50 an individual may request the Director of Central Intelligence to approve his retirement if all of the following conditions are met:

- (1) He has 20 years total creditable Government service;
- (2) He has been employed by CIA for at least 10 years;
- (3) His total CIA overseas service (including TRF and PCS) is equivalent to not less than 40% of his total service with CIA prior to his having reached age 50 with a minimum of 5 years overseas.

b. The Director of Central Intelligence will decide whether it is in the interest of the Government to permit the individual to retire.

c. If the Director approves the request of the individual, he may retire

- (1) with full annuity without the reduction for early retirement as provided by Section 9(d) of the Civil Service Retirement Act, and
- (2) his years of creditable service will be augmented at the rate of one year for each four years served overseas with CIA.

3. All CIA personnel who do not meet all the conditions stated above will retire under the provisions of the Civil Service Retirement Act.

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Next 2 Page(s) In Document Exempt

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